AGENDA REPORT

Meeting Date: June 17, 2014

Item Number: H-4

To: Honorable Mayor & City Council

From: Don Rhoads, Director of Administrative Services/CFO
Shelley Ovrom, Interim Asst. Director of Administrative Services/Human Resources

Subject: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE MUNICIPAL EMPLOYEES ASSOCIATION OF BEVERLY HILLS (MEA)

Attachments:

1. Agenda Report – May 20, 2014 (without attachments)
2. 2013-2015 MEA Memorandum of Understanding

RECOMMENDATION

Staff recommends approval of the attached Memorandum of Understanding between the City of Beverly Hills and the Municipal Employees Association of Beverly Hills (MEA).

INTRODUCTION

The MEA represents all members within the miscellaneous employee unit in the City that are not already represented by another bargaining group. The last Memorandum of Understanding (MOU) expired October 5, 2013. Representatives of the Association and the City, having met and conferred in good faith since August of 2013, have agreed to the terms found in the attached MOU. The new agreement has a term of two years from October 6, 2013 to September 30, 2015.

DISCUSSION

The terms of the newly negotiated Memorandum of Understanding were presented to the City Council at the meeting of May 20, 2014. This item comes before the City Council again this evening for a second review as required per Ordinance 13-O-2651 addressing the procedure for adopting or amending a Memorandum of Understanding between the City and an exclusively recognized employee organization. A summary of the changes to the Memorandum of Understanding are reflected in Attachment 1.

FISCAL IMPACT

In compliance with the Beverly Hills Municipal Code, Article 5 Section 2-5-505: Economic Analysis, a fiscal impact analysis of the proposed Memorandum of Understanding was conducted by the outside firm, MGO Certified Public Accountants. The attached report found that though there was a calculation discrepancy between the two years of the contract, "the total amount of salary and benefits allocated over the two years was correct."

Over the next two years, this Memorandum of Understanding will result in a net increase in compensation related costs to the City of $196,094.

Don Rhoads

Finance Approval

Shelley Ovrom

Approved By

Attachment 1

AGENDA REPORT

Meeting Date: May 20, 2014

Item Number: F-10

To: Honorable Mayor & City Council

From: Don Rhoads, Director of Administrative Services/CFO
Shelley Ovrom, Interim Asst. Director of Administrative Services/Human Resources

Subject: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE MUNICIPAL EMPLOYEES ASSOCIATION OF BEVERLY HILLS (MEA)

Attachments:

1. Tracked Changes Memorandum of Understanding (MOU)
2. 2013-2015 MEA Memorandum of Understanding
3. Fiscal Analysis

RECOMMENDATION

Staff recommends approval of the attached Memorandum of Understanding between the City of Beverly Hills and the Municipal Employees Association of Beverly Hills (MEA).

INTRODUCTION

The MEA represents all members within the miscellaneous employee unit in the City that are not already represented by another bargaining group. The last Memorandum of Understanding (MOU) expired October 5, 2013. Representatives of the Association and the City, having met and conferred in good faith since August of 2013, have agreed to the terms found in the attached MOU. The new agreement has a term of two years from October 6, 2013 to September 30, 2015.

DISCUSSION

Significant changes from the previous MOU are listed below:

1) Term of Agreement
   - October 6, 2013 – September 30, 2015

2) Salary
   - 10% increase (8% for retirement offset and 2% additional increase) upon City Council approval. 1% additional increase effective 10/4/14.
   - Elimination of the total compensation survey.

3) Retirement
   - Classic employees (employed by the City on or prior to December 31, 2012, or lateral hires from another PERS agency) pay their 8% member contribution upon City Council approval of the MOU.
   - New members (hired on or after January 1, 2013) per the Pension Reform Act pay the statutorily mandated contribution of half the normal cost (6.25%) plus an additional amount (1.75%) as cost sharing, upon City Council approval of the MOU, to get their contribution to 8% so that all employees are paying 8%.
   - Elimination of PERS on PERS benefit since employees now pay their own member contribution.

4) Health Insurance
   - Cafeteria Plan benefit modified from PERSCare two-party medical plus dental and vision to $1,873.00 total benefit for 2014 and $2,000.00 for 2015.
   - Prior benefit had a built in escalator based on premium increases. The agreed upon provision requires increases to be negotiated in the future.
   - The amounts agreed upon provide savings over 2013 since the cost of PERSCare went down 35%.
   - The parties also agreed to reduce the maximum receipt of cash an employee can receive for opting out of benefits from $565 to $475.

5) Special FPOC (Filling Position Out of Classification)
   - Pay for employees getting their T-3 water certification while training in the water treatment facility. Employees will receive 10% of their pay for 6 months when training as a Water Worker III. The current difference between Water Worker II and III is 27%.

6) Tool Allowance for Equipment Mechanics
   - Modified from $500 per year to $600 but only paid as a reimbursement with receipts.

7) Safety Glasses
   - Increase reimbursement from $150 to $200.

8) Bereavement Leave
   - Added "grandchildren" as a relative for which an employee can use the bereavement leave benefit.

9) Furloughs
   - The Association agreed that if the City requests to negotiate regarding furloughs, they are obligated to meet and confer during the term of the MOU.

10) Grievance Procedure
   - Elimination of the first step – Meeting with the direct supervisor to expedite process.

In addition to the listed changes, the MOU was modified to reflect current laws, correct titles, and improve the document clarity.

FISCAL IMPACT

In compliance with the Beverly Hills Municipal Code, Article 5 Section 2-5-505: Economic Analysis, a fiscal impact analysis of the proposed Memorandum of Understanding was conducted by the outside firm, MGO Certified Public Accountants. The attached report found that though there was a calculation discrepancy between the two years of the contract, "the total amount of salary and benefits allocated over the two years was correct."

Over the next two years, this Memorandum of Understanding will result in a net increase in compensation related costs to the City of $196,094.

Meeting Date: May 20, 2014

Don Rhoads

Finance Approval

Shelley Ovrom

Approved By

Attachment 2

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF BEVERLY HILLS

AND

MUNICIPAL EMPLOYEES ASSOCIATION OF BEVERLY HILLS TECHNICAL SERVICE UNIT

October 6, 2013 - September 30, 2015

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MEA TECHNICAL SERVICE UNIT
MEMORANDUM OF UNDERSTANDING

The Municipal Employees Association of Beverly Hills (hereinafter referred to as "MEA"), a formally recognized employee organization, representing all its members within the Technical Service Unit (hereinafter referred to as "Employees"), and duly authorized representatives of the management of the City of Beverly Hills (hereinafter referred to as "the City"), have met and conferred in good faith, freely exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as "MOU" or "agreement") on matters within the scope of representation. A list of all of the classifications represented by the MEA is attached to this MOU as Exhibit A.

Now, therefore, the parties agree and mutually recommend to the City Council the following for its determination:

1. Integration. This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505.1 and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

   It is recognized that there exist now certain past practices or procedures which are in force and effect which affect wages, hours, and working conditions. To that extent, it is agreed that such practices, policies, and procedures shall remain in force and effect during the term of this agreement, unless they are inconsistent with provisions of this MOU, or unless changed by the meet & confer process. This MOU is subject to a determination and implementation by the City Council pursuant to Government Code Section 3505.1.

2. Term. Unless otherwise specified herein, this MOU shall be effective October 6, 2013 and shall expire on September 30, 2015.

1. SALARIES

Effective on the first day of the payroll following City Council approval of this MOU, employees will receive a base salary increase of ten percent (10.0%).

Effective the pay period including October 4, 2014, employees will receive a base salary increase of one percent (1.0%).

2. APPOINTMENT AND ADVANCEMENT

A. Movement Through Range

The City Manager may make appointments to or advancements within the prescribed ranges of specific positions upon evaluation of employee qualifications and performance. Normally,

employees shall be appointed to the first step and shall be eligible to be advanced through the five (5) basic steps in their allocated schedules as follows:

1) Probationary Employment

The probationary period for all positions in the bargaining unit shall be one year. After six (6) months of satisfactory service, a probationary employee appointed at Step I shall receive a salary step increase to Step II of the prescribed schedule. In addition, after six months of service probationary employees shall be eligible to use all accrued leave benefits. Step increases will be provided to employees as follows: I step to II step at 6 months of satisfactory service (which could be longer than 6 months)

A Department Head has the right to extend an employee's probationary period for two reasons: 1) the employee has missed at least 15 work days during his/her probationary period; or 2) based on an employee's work performance, the Department Head wants more time to determine whether the employee will be passed off probation. If the reason for the extension is days missed from work during probation, the probationary period will be extended by the number of workdays the employee has missed (for any reason), excluding approved vacation leaves during his/her probationary period. If the reason for the extension is work performance, the probationary period cannot be extended by more than an additional six (6) months. In all cases, the City will inform a probationary employee in writing that his or her probation has been extended prior to any extension and will inform such employee of the new date upon which his or her probationary period will end.

Probationary employees appointed to a step other than the first, shall not be eligible to receive a step increase at the six month mark as described above, but rather on their anniversary date (i.e., the date they pass probation which shall become the date used to determine eligibility for future step increases.)

2) Permanent Employee Advancement

Unless otherwise provided, every permanent employee (i.e., employees who have successfully completed their probationary period) shall receive step advancements in the following manner:

a. Employees shall be eligible for advancement to Steps II through V twelve (12) months after receiving their prior step, upon receipt of an evaluation with an overall rating of satisfactory or better, provided, however, an employee whose evaluation is timely given (i.e., within one calendar week of the employee's anniversary date) and whose overall performance is less than "meets standards", may have his or her merit increase withheld or delayed.

b. Such an increase is recommended by the employee's supervisor and the Appointing Authority (as defined throughout this MOU as each

employee's Department Head or designee), and is approved by the Assistant Director of Administrative Services/Human Resources.

B. Application Of Salary Steps To Reclassifications And Promotions

When all positions in a classification (City-wide) are reclassified upward, an employee in the class shall be appointed to the reclassified position, provided that the employee meets the qualifications established for the reclassified position.

If an employee in the classification does not meet the qualifications for the reclassified position, the position shall be filled through a recruitment process.

When all positions within a classification within a particular department or division are reclassified upwards, the employees within that department or division shall be reclassified provided that they meet the minimum qualifications for the reclassified position and if the knowledge and skill needed for the reclassification are unique to employees within the particular department or division. If the knowledge and skill needed for the position are not unique to employees in the particular department or division and are possessed by other employees in the classification in other departments, the positions will be filled by an internal promotional examination, not an employee reclassification.

When less than all of the positions within a classification within a particular department or division are reclassified upwards within the MEA bargaining unit, the position(s) shall be filled by internal promotional exam, unless there are no qualified applicants.

When a position(s) in the unit is reclassified downward to a class having a lower salary, the least senior employee(s) (according to total City Service) will be downgraded and his or her (or their) salary shall be "Y"-rated, which shall freeze the employee's(') salary at that amount received just prior to the reclassification and shall prevent salary advancement for such position until the schedule for the reclassified position's classification provides a step which exceeds the salary paid to the employee(s). No reduction of salary rate shall result from "Y"-rating.

In the event an employee is promoted or the entire class is reclassified to a higher salary schedule, the employee(s) shall be placed at the lowest step of the new classification that provides the employee at least 5% greater than the pay rate the employee was receiving prior to being reclassified or promoted, but in no event higher than the top step of the new, higher salary schedule.

Benefits and leave rights shall be available to all employees on probation as a result of accepting a promotion, if such employee has completed his or her initial hire probation.

C. Employee or MEA Initiated Request for Reclassification

If the duties and responsibilities of a position have changed and are no longer accurately described by the classification specification for her/his position, the employee or MEA may request to the Assistant Director of Administrative Services/Human Resources, that his/her classification specification be changed. Such requests shall be made in writing using a form

specified by the Human Resources Division and a copy of which will be given to each potentially impacted employee's respective department head at the initial filing. All requests for a given fiscal year must be submitted to Human Resources no later than December 1 for implementation in the next fiscal year.

The Assistant Director of Administrative Services/Human Resources shall make a study of the position and report the results of the classification study to the City Manager prior to City Council budget presentations. A copy of the classification study shall be provided to the employees affected prior to City Council budget presentations. If classification specifications are modified in such a manner as to necessitate a change in compensation level, or if an employee is reclassified as long as employees have been working in the position for at least 180 days, the change shall be effective the next July 1 or the effective date of the next City budget.

The decision of the City Manager shall be final. In the event the reclassification request is denied, neither the employee nor the MEA have the right to grieve the decision.

This procedure relates only to the request of an employee or the MEA for reclassification.

D. Special Merit Step Advancement

The City Manager may, upon the recommendation of the department head and the Assistant Director of Administrative Services/Human Resources, authorize the advancement of an employee to any of the four (4) steps earlier than he/she would normally be eligible for length of service. Such increases shall be effective on the first day of the pay period following approval by the City Manager, if not otherwise specified by the Appointing Authority. A special merit step advancement shall affect the anniversary date of an employee, causing it to change to the effective date of the special merit step advancement.

E. Special Assignment

It is the intent of the City to provide special assignment opportunities to employees who have expressed interest in these opportunities. The City values employees who are self-motivated to achieve qualifications for higher positions and who wish to promote themselves. To that end, the following procedures will be used:

Special assignments shall be rotated after an employee has served in a special assignment for six (6) months. Selection of employees for special assignments will be made by following the procedure indicated below. A special assignment is defined as work outside the scope of an employee's normal daily work.

1) When an opening for a special assignment becomes available, the appointing authority shall post the assignment for a minimum of 5 work days. The notice shall request interested personnel to submit a memorandum requesting assignment to the special assignment.

2) Employees submitting requests shall indicate their reasons and qualifications for the new assignment in written form to their immediate supervisor.

3) After reviewing all requests for special assignment, the appointing authority shall establish a list of qualified applicants. The most senior qualified candidate shall be offered the special assignment. If the special assignment continues beyond six (6) months, the next most senior qualified employee shall be rotated into the assignment six (6) months later, and so on for the duration of the special assignment. Special assignments may be extended beyond six (6) months if no other employees are qualified and the Department Head deems it necessary.

4) Within 14 calendar days after an employee is informed that he/she was not selected for an assignment, the employee may ask the appointing authority who made the selection, for the reason that he/she was not selected. The appointing authority shall in writing respond within 14 calendar days. The decision of the appointing authority regarding selection to a special assignment or the order of the list of qualified applicants is not subject to the filing of a grievance.

5) If the Department Head needs to exercise his/her right in such compelling circumstances, he/she must articulate his/her reasons in writing. The Department Head's decision is final and not subject to a grievance.

A special assignment increase may be granted to an employee by an Appointing Authority provided that the employee is clearly performing specific duties above and beyond that required by his/her classification while not assigned or authorized to be filling a position out of classification. The Appointing Authority shall submit his/her recommendation and justification to the Assistant Director of Administrative Services/Human Resources for approval. The Assistant Director of Administrative Services/Human Resources will review the recommendation and determine whether it is warranted given the standards of this section. Said increase shall be six percent (6%). Annually, a review by the Assistant Director of Administrative Services/Human Resources of the special assignment shall be made to determine if it is still warranted.

F. Cross Training

Cross training is training provided to an employee to perform duties that are not currently performed by his/her classification. All cross training shall be voluntary and an employee shall not be made to cross train against the employee's will. The parties acknowledge that there can be a benefit from cross training willing employees because employees can learn skills which may be used to promote, work on a special assignment or to earn FPOC. Employees who cross train are to train with other employees who are currently performing those tasks or with vendors who are familiar with those tasks. If an employee agrees to cross train, the employee being cross trained will not be used to fill a vacant position. In addition, the cross training will not exceed six months. Once the employee is trained such that he/she can perform the duties without additional training, FPOC may be applicable. Finally, cross training opportunities will be posted on the City Bevy for a minimum of seven (7) calendar days and will be filled after a reasonable opportunity to submit a memo of interest is provided.

Cross training is to be distinguished from training an employee to perform tasks and duties which relate to their job. The City may wish to assign an employee to perform their current or related duties with updated technology or systems or may wish to modify the employee's job description to reflect that the duties will be performed with different equipment or technology. That is not cross training. Any collective bargaining obligations as a result of modifications to the a job description or as a result of the assignment of new duties related to an employee's current position must be satisfied prior to changes in the job description or the assignment of the new duties.

G. Temporary Employment

Temporary employees may be hired by the City to backfill for an employee on a leave of absence, if an incumbent leaves City employment and there is not an active eligibles list and the City has a temporary need for an employee. Temporary employees (one or more) can be hired for 120 days maximum (cumulative total if more than one temporary employee is hired), except a temporary employee hired to backfill for an employee who is on a medical leave of absence. The City may hire the same person to work as a temporary employee for a different vacancy or leave. Such employee may remain employed as a temporary employee until the regular employee returns or 30 days after it is determined the employee will not be returning to the position. In addition, if the City is actively recruiting to fill a vacancy, the Association will agree to meet with the City to discuss extending the time for the temporary employee to remain employed by the City. MEA may grant such extension at its discretion. MEA acknowledges that a recruitment may take beyond 120 days and will take that into consideration in deciding whether to grant an extension. Finally, even if the City is not actively recruiting for the position, it may ask MEA if it would be willing to grant an extension of its use of a temporary employee beyond 120 days.

In addition to the previous paragraph, a person may be hired to a temporary appointment for up to a maximum of 120 days as determined by the department to satisfy a temporary need. Prior to hiring a temporary employee who is hired neither to replace an employee absent from duty or to fill a vacancy (i.e., a determined short term (120 day or less) need), any such work will first be offered to bargaining unit members on an overtime basis. If such work can be done by employees, such a temporary employee will not be hired. If all the work offered on an overtime basis to bargaining unit members is not accepted by employees, the City may also appoint persons on a temporary basis to perform the work not accepted by the employees on an overtime basis.

H. Filling Position Out Of Classification (FPOC)

Every employee assigned to and working in a classification with a salary schedule above that of the employee's regularly assigned position as the result of special departmental need shall be paid while so assigned at a step within the range for the higher classification after serving forty (40) hours during his/her employment (including time served in the assignment prior to September 1, 2009) at the higher classification. When an employee is assigned and performs the duties of the higher classification, the employee shall receive 10% above the pay rate of his/her regular classification provided that no rate higher than the fifth step, nor lower than the first step of the salary schedule for the classification in which the work is performed is paid, and is

consistent with other provisions of this MOU regulating such assignments. No position may be filled out of classification unless established departmental procedures are followed and authorization from the Appointing Authority is obtained. Probationary employees are not eligible to fill a position out of classification.

To be eligible for compensation for filling a position out of classification, the employee has to meet the criteria for the higher classification and be capable of performing those specific tasks which he/she will be performing during this acting time and which differentiates it from the lower classification. Before FPOC status is attained, the necessary personnel forms shall be approved by the Appointing Authority and Assistant Director of Administrative Services/Human Resources.

Employees assigned to fill positions out of classification shall not acquire status or credit for services in the higher class and may be returned to their regular position at any time. Employees receiving FPOC pay shall not receive the higher salary when on vacation or sick leave for three calendar weeks or longer.

In the event that an FPOC assignment lasts for three (3) months or longer and there are additional qualified employees available for the assignment, the assignment will be rotated pursuant to the following process:

1) When an employee has been working in an FPOC assignment for three months and it will continue beyond three (3) months, the appointing authority shall inform employees that they may submit a memorandum requesting the assignment.

2) Employees submitting requests shall set forth their qualifications for the FPOC assignment to their immediate supervisor.

3) Supervisors shall review requests after which they shall attach a memorandum of their own, which includes any comments they have and their recommendation as to whether the employee should receive the assignment for which he/she has applied.

4) After reviewing all requests for an FPOC assignment that will last three (3) months or longer, the appointing authority shall establish a list of qualified applicants. The most senior qualified employee shall be offered the FPOC assignment. If the FPOC assignment does continue beyond three (3) months, the next most senior qualified employee shall be offered the assignment three (3) months later, and so on for the duration of the FPOC assignment. The Department Head's decision is final and not subject to grievance.

5) Within 10 calendar days after an employee is informed that he/she was not selected for an assignment, the employee may ask the appointing authority who made the selection, for the reason he/she was not selected. The appointing authority shall respond within 10 calendar days. The decision of the appointing

authority regarding selection to an FPOC assignment is not subject to the filing of a grievance.

6) Notwithstanding the above, when compelling reasons exist the appointing authority shall retain the right to assign personnel to FPOC assignments of three (3) months or longer without following the above procedures if the appointing authority believes such action is in the best interests of the respective Department. If the Department Head needs to exercise his/her right in such compelling circumstances, he/she must articulate his/her reasons in writing.

7) The parties agree that when a Street Maintenance Worker I or II is assigned to work with a jackhammer or a street repair compressor for any part of his shift, he/she will receive FPOC for the entire shift while so assigned.

8) Special FPOC For Employees Training in the Water Treatment Facility: The parties acknowledge that the City's Water Treatment Facility, rated as a T-4 facility, causes employees in the Water System Worker III classification to need a T-3 Water certification, which requires such employees pass a T-3 certification test and to work in the treatment facility for one year. The parties agree that an employee may spend six months cross training as a Water System Worker III and, after six months if the employee has passed the T-3 certification test, the employee may continue working in the Water Treatment Plant as a means of obtaining the one-year experience requirement; provided, however, the employee shall be paid a special FPOC pay of ten percent (10%) above his or her classification while working in the facility, until he/she actually receives the T-3 certificate. After the employee obtains the T-3 certificate he or she may continue to be assigned to work in the facility, and he/she will receive regular FPOC, subject to the conditions above.

3. SPECIAL COMPENSATION

No special salary adjustments authorized by this Section shall become effective until an official transaction form authorizing the adjustment is approved by the Assistant Director of Administrative Services/Human Resources. Special salary adjustments, except those designated as "shift differentials", shall not be treated as part of base salary and shall be excluded in calculating earnings when loss of time, or benefits are involved.

A. Types of Shifts

1) Rotating shift means the authorized periodic change to the start and end times of an employee's regularly assigned work shift, e.g., swing shift to day shift. Rotating shift does not include changing the number of hours an employee works in a day or number of days worked per week.

2) Swing shift means authorized work schedules regularly assigned in which at least four (4) hours worked are between the hours of 5:00 p.m. and 1:00 a.m. of each workday.

3) Night shift means authorized work schedules regularly assigned in which at least four (4) hours worked are between the hours of 11:00 p.m. and 8:00 a.m. of each workday.

4) Day shift means any authorized work schedules assigned except rotating, swing, or night shift as defined in this section.

B. Shift Pay

1) Employees assigned to a rotating or swing shift shall receive a shift differential of 3% of base salary just for the days when the rotating or swing shift occurs. An employee shall receive rotating shift bonus for the entire week if the start and end time is different than the regular start and end time on at least two days during the workweek. Moreover, employees in the Water Worker II classification that are assigned to work on weekends shall receive 3% rotating shift pay for their entire work week while so assigned.

2) Employees assigned to a night shift shall receive a shift differential of 6% of base salary.

The parties agree that to the extent permitted by law, the compensation for shift pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(4) Shift Differential.

C. Civil Engineering GIS Specialist Pay

Employees in the classifications of Civil Engineering GIS Specialist shall receive $55 per month, if they have attained professional State Registration as a Professional Engineer ("PE license").

The parties agree that to the extent permitted by law, the compensation for GIS Specialist Pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

D. Certification Incentive Program

A bonus will be paid to any Inspector in the Building and Safety Department who participates in and achieves certification by the International Code Council, and Cal Green in his/her field of specialization; said bonus will be in the amount of $50.00 per month. An employee will be eligible for this bonus during the time that the certification is maintained. Proof of certification shall be submitted to the Director of Building and Safety and forwarded to the Human Resources Office. The parties acknowledge that the City has paid $50 per month to any employee in the Building and Safety series of classifications for possession of a DSA certification (either Class 1, 2, 3 or 4). Those payments will be made if the employee has the certificate and is assigned to a DSA project for inspection services.

The parties agree that to the extent permitted by law, the compensation for the DSA Certification is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

E. Tool Allowance

Employees in the Equipment Mechanics series who are required to furnish tools shall receive up to $600 per year as a tool allowance. Such employees shall provide receipts of their tool purchases to their supervisor for reimbursement, which will be paid in a reasonable period of time. The City agrees to continue to furnish the current assortment of tools.

F. Certification and Additional Compensation Program

The City and the Association have historically agreed upon an additional compensation program which has recognized the efforts of employees achieving a level of expertise above that which is generally recognized as a job requirement. Additional pay is for efforts/expertise/certifications which exceed the job requirements.

1) Solid Waste Division

Class A Driver's License (Offered through DMV) - $25.00/mo.
Solid Waste Equipment Operator. The parties acknowledge that no employee will be eligible for this pay unless and until the City utilizes vehicles which require a Class A license.

The parties agree that to the extent permitted by law, the compensation for Class A License is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Government Agency Required Licenses Educational Pay.

2) Streets, Streetlight & Traffic Signal Maintenance

IMSA Traffic Signal Electrician Level I - $25.00/mo.
Offered through International Municipal Signal Association
Electrical Technician, Traffic Signal Technician, Traffic Control Systems Specialist.

IMSA Traffic Signal Electrician Level II - $25.00/mo.
Offered through International Municipal Signal Association
Electrical Technician, Traffic Signal Technician, Traffic Control Systems Specialist.

IMSA Traffic Signal Electrician Level III - $25.00/mo.
Offered through International Municipal Signal Association
Electrical Technician, Traffic Signal Technician, Traffic Control Systems Specialist.

IMSA Traffic Paint and Sign Tech II - $25.00/mo.

Offered through International Municipal Signal Association
Street Maintenance Worker II.

Roadway Lighting Level I - $25.00/mo.
Offered through International Municipal Signal Association
Electrical Technician, Traffic Signal Technician, Traffic Control Systems Specialist.

The parties agree that to the extent permitted by law, the compensation for IMSA certifications above is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

3) Water Utility

Backflow Prevention Device Tester License - $50.00/mo.
Offered through the American Water Works Association (AWWA) and USC Foundation for Cross-Connection Control and Prevention
Recommended for all the following positions; Water System Worker I, Water System Worker II, Water System Worker III, Senior Water Worker, and Water System Specialist.

The parties agree that to the extent permitted by law, the compensation for the Backflow Prevention Tester License above is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

Any water treatment and distribution certificates achieved by employees in water classifications which are above the requirements of the job will be paid at $50.00 per month per certificate. This includes D1-D5 and T1-T5. The certificates for which there will be no pay are as follows:

- Water Worker I: D-1
- Water Worker II: D1 and D-2
- Water Worker III: D-1, D-2, T-1 and T-2
- Senior Water Worker: T-1 and T-2

The parties agree that to the extent permitted by law, the compensation for water treatment and distribution certificates is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

4) Wastewater Utility

Collection System Maintenance Certification, Grade I - $25.00/mo.
Offered through the California Water Pollution Control Association
Drainage Maintenance Worker I and II

Collection System Maintenance Certification, Grade II - $25.00/mo.

Offered through the California Water Pollution Control Association
Drainage Maintenance Worker I and II, Senior Drainage Maintenance Worker

Collection System Maintenance Certification, Grade III - $25.00/mo.
Offered through the California Water Pollution Control Association
Drainage Maintenance Worker I and II, Senior Drainage Maintenance Worker

Collection System Maintenance Certification, Grade IV - $25.00/mo.
Offered through the California Water Pollution Control Association
Drainage Maintenance Worker I and II and Senior Drainage Maintenance Worker

The parties agree that to the extent permitted by law, the compensation for Collection System Maintenance certifications above are special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

5) Fleet Services

Master Automobile Technician Certificate - $50.00/mo.
Offered through the ASE Automobile Technician Tests

Equipment Mechanic I & II- Lead Equipment Mechanic to be eligible for this pay, an employee must complete all eight sections of the certification program

The parties agree that to the extent permitted by law, the compensation for Master Automobile Technician is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

Master Truck Technician Certificate - $50.00/mo.
Offered through the ASE Automobile Technician Tests

Equipment Mechanic I & II Lead Equipment Mechanic - to be eligible for this bonus, an employee must complete all required sections to obtain an ASE master certificate

Fire Mechanic I Certificate - $25.00/mo.
Offered through the California Fire Chief's Association, Fire Mechanic Section

Fire Mechanic II Certificate - $25.00/mo.
Offered through the California Fire Chief's Association, Fire Mechanic Section

Master Fire Mechanic Certification – Level III
Offered through the California Fire Chief's Association, Fire Mechanic Section - $50.00/mo.

The parties agree that to the extent permitted by law, the compensation for ASE Master Certificate and the Fire Mechanic Certificates above is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

6) Stormwater Utility

Hazardous Waste First Responder Training and Certificate - $25.00/mo.
Solid Waste Equipment Operator and Solid Waste Inspector

7) Street & Traffic Maintenance

Hazardous Waste First Responder Training and Certificate - $25.00/mo.
Offered through the Greater Los Angeles Chapter National Safety Council
Street Maintenance Worker II

8) Engineering

Hazardous Waste First Responder Training and Certificate - $25.00/mo.
Offered through the Greater Los Angeles Chapter National Safety Council
Public Works Inspector

The parties agree that to the extent permitted by law, the compensation for the Hazardous Waste First Responder Certificates above is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

For the certifications provided above, when they are part of a progressive series, the pay shall become cumulative. For example, a Water System Worker I could obtain a Treatment Operation Certificate, Grade I ($50.00 value) and Grade II ($50.00 value) and be eligible for a $100.00 per month pay.

G. Bi-Lingual Pay

The City shall pay 3% of base salary to employees who are certified by the County of Los Angeles or other agencies approved by the City. The certification of tests for written and oral proficiency in Spanish, Farsi, Korean, Russian, Sign or any other language designated by the City. Those employees who receive a bi-lingual pay will be required to speak alternate language in the course and scope of their employment. In addition, if receiving the pay, an employee may be asked to assist in translating even if unrelated to his/her specific job duties.

The parties agree that to the extent permitted by law, the compensation for Bilingual Pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(4) Bilingual Premium.

H. Car Allowances

All car allowances will be paid per the Administrative Regulation 3A.4.

4. MEDICAL INSURANCE

A. General

The City contracts with the Public Employees' Retirement System for medical insurance. For newly hired employees, insurance coverage is effective the first day of the next month following the thirty (30) day waiting period.

The payment of premiums toward this medical insurance program will be through the administration of a flexible benefit package. The City shall pay the PERS statutory minimum on behalf of each employee in this program.

B. Health and Welfare Benefits

The City contributes the PERS statutory minimum on behalf of each employee in the program.

The City will provide current employees with flexible benefits through a cafeteria plan as provided below.

Any language contained in this MOU which is also contained in the cafeteria plan documents is done so for the convenience of the parties. However, the parties agree that all of the provisions of the cafeteria plan documents (whether included in this MOU or not) are applicable and binding on the parties to this MOU.

1) Cafeteria Plan: The provisions of the Cafeteria Plan are described below.

a) Benefits provided through Cafeteria Plan:

The following insurance benefits provided for in this Article are provided through the provision of a cafeteria plan adopted in accordance with the provisions of IRS Code § 125: medical, dental, and optical.

b) The Purchase of Optional Benefits Through the Cafeteria Plan:

The cafeteria plan offers employees the opportunity to purchase the following optional benefits: medical, dental and optical insurance.

For the remainder of calendar year 2013, employees shall be provided monthly with an amount that is the sum of the two-party PERSCare, family dental (Guardian - Standard) and family optical (VSP - Standard) for the purchase of the optional medical, dental and optical insurance benefits. The amount provided herein set forth below includes the CalPERS statutory minimum.

Effective January 1, 2014, employees shall be provided with the amount of $1873.00 per month for the purchase of the optional medical, dental and optical insurance benefits.

Effective January 1, 2015, employees shall be provided with the amount of $2000.00 per month for the purchase of the optional medical, dental and optical insurance benefits.

(1) Medical Insurance

Eligible employees may select any of the HMO or PPO medical insurance plans offered by CalPERS.

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

For each of the plans, employees will also be able to choose the benefit for the employee, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options, unless the employee provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

Employees shall also have the ability to select from two levels of dental insurance from the City's dental insurance provider, Guardian. The City reserves the right to change dental insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees will have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source. The following will be part of the dental insurance: 1) adult orthodontia coverage; 2) the benefit limit will be $2,000.00; 3) the major services benefit will be at 80%; and 4) the orthodontia limit will be $2,000.00.

(3) Optical Insurance

Employees shall also have the ability to select from two levels of optical insurance from the City's optical insurance provider, Vision Service Plan (VSP). The City reserves the right to change optical insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source.

c) Employee Contributions for Benefit Options: If an employee chooses optional benefits whose aggregate cost exceeds the maximum City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

d) The Receipt of Cash Through the Cafeteria Plan: Employees will be eligible to receive cash up to a maximum of $475 per month (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose optional benefits that do not cost as much as the maximum dollar amount they receive through the plan.

e) Flexible Spending Accounts: The cafeteria plan will also offer employees the opportunity to participate in both a health care and dependent care flexible spending account (each an FSA) whereby employees will be able to defer up to the maximum permitted by law for both the health care FSA and the dependent care FSA to pay for any eligible out of pocket expenses related to health care or dependent care on a pre-tax basis. The provisions of both of these FSA's will be provided in a plan document. The plan document will be available to each eligible employee upon request. Essentially, before January 1 of every year, employees will be able to elect to have their compensation (up to the aforementioned limits) for the upcoming year deducted biweekly and contributed on a pre-tax basis to the FSA. During the year (and for a short grace period thereafter), an employee can receive reimbursements under the FSA for covered expenses incurred during the year, up to the amount of the employee's contributions for the year. The FSA deductions will be withheld from employees' regular payroll.

f) Mandatory Health and Welfare Benefits: The following are benefits that all employees are included in at the City's cost: term life insurance ($50,000.00 policy) and disability insurance which provides two thirds (2/3) of monthly salary up to a maximum of up to $6,000.00 per month, except as may be provided under the applicable plan document. This plan has a 60-day elimination period. Employees may use accrued leaves to supplement payments received by the disability insurance plan. However, the employee may not receive more than 100% of their regular wages.

g) Supplemental Term Life Insurance: Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan (if applicable) to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be an after tax deduction from their paycheck.

h) Deferred Compensation: In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.

i) Benefits if on an Industrial Leave: In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical coverage from the City) for the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or optical insurance the employee shall receive his/her additional cafeteria plan contribution and or cash back (up to the maximum amount provided above) for one month for each full year of service up to one year. If an employee chooses to opt out of insurance and receive cash as described above, he/she will be eligible to receive that cash for one month for each year of full service up to one year.

C. Retiree Medical Insurance

1) Retirees hired before January 1, 2010

Retirees hired before January 1, 2010 (service retirement only) retiring on and after February 1, 1990, shall be eligible for continued medical benefits up to $300.00 per month (which includes the PERS statutory minimum paid directly to CalPERS, and the employee will receive a check for the difference between $300 and the CalPERS statutory minimum) unless and until the following occur:

a) The retiree reaches age 70, or

b) The retiree becomes eligible for Medicare (if the employee is eligible for Medicare, the City will pay the designated Medicare supplement rate not to exceed $300 per month), or

c) The retiree is or becomes eligible to be a participant in another employer-paid medical plan or Veteran's Administration benefit, or

2) For eligible retirees (as described below) who are age 70 or above, the City shall pay up to $150/month toward medical coverage under PERS. If the statutory minimum exceeds $150, the City shall pay the statutory minimum directly to CalPERS for such employees. In this situation the employee will not get a check from the City. Eligible retirees include those full time MEA employees who:

a) Retire after July 1, 2000; and

b) Take a service retirement and are not subsequently covered under PERS with another agency; and

c) Have 20 or more years of full time service with the City of Beverly Hills prior to retirement.

3) For those retirees over age 70 who do not otherwise meet the eligibility criteria the City will pay the PERS statutory minimum on their behalf.

Such retirees and their dependents will not be permitted to receive cash back options per the cafeteria plan.

4) Retirees Who Were Hired On or After January 1, 2010

Employees hired into the unit as new employees by the City on or after January 1, 2010 who retire from the City will receive the PERS statutory minimum paid by the City.

In addition, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of $150.00 per month ($69.23 per pay period) to a retirement account on behalf of such employees.

For employees who enter the unit on or after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits as though they were a member of the bargaining unit prior to January 1, 2010 as addressed in subparagraph 1 above.

5) Provision Applicable to All Retirees

Any retiree whose City contribution for retiree medical, dental and/or optical insurance is insufficient to cover the actual cost of such insurance for the retiree and his/her eligible dependents can purchase such insurance through CalPERS by paying the additional amount in excess of the City contributions, if any.

6) Alternative Retiree Medical Program

Notwithstanding any provision above, employees in the unit who have previously voluntarily chosen to participate in the Alternative Retiree Medical Program (ARMP) will not receive retiree medical benefits from the City. Their choice of ARMP was made in lieu of receipt of the retiree medical benefit provided above.

5. DEFERRED COMPENSATION

The City shall contribute $70.00 a month per employee to the City's deferred compensation plan.

6. HOLIDAYS

A. Holidays

Employees shall be entitled to the following paid holidays if such employee worked the normally assigned duty period the day before and the day after the holiday, or was absent on authorized paid leave during said periods:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day After Fourth Thursday in November
Christmas Day	December 25

1) Every employee whose regular work schedule is Monday through Friday will observe holidays as follows:

   a) If the holiday falls Monday through Friday, the employee will be granted a paid day off on the day on which the holiday falls.

   b) If an employee is required to work on a holiday, the employee will be paid for the holiday, plus paid either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or compensatory time at 1½ times the hours actually worked, at the employee's discretion subject to the maximum cap on accrual of compensatory time of 40 hours.

   c) If a holiday falls on a day which is an off day for employees working the 9/80 or 4/10 work schedules, the employee shall receive a floating holiday in lieu of holiday pay. Floating holidays may be taken at each employee's discretion, subject to approval of the department head or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays within the calendar year (with the exception of those floating holidays which are earned in November or December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to have more floating holidays on the books than would be received within the

current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Department Heads or designees will not act unreasonably in granting requests to use floating holidays.

2) If the January 1, July 4, November 11 and December 25 holidays fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on a Sunday, the following Monday shall be considered the holiday. Employees whose work schedule is different from the Monday through Friday schedule, shall receive holiday benefits in the following manner:

   a) If the holiday falls on one of his/her workdays, he/she shall be given that day off with pay, if possible.

   b) If the holiday falls on one of his/her days off, he/she shall be given one day off during the same pay period or receive compensation for one additional day's pay at the following rates: 5/40 – eight hours, 9/80 – 9 hours 4/10 – 10 hours and 3/12 – 12 hours.

   c) If a holiday falls on a day on which the employee is required to work, he/she will be paid for the holiday, plus either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or alternate time off at 1½ times the hours actually worked, at the Department Head's (or designee's) discretion.

3) All employees shall receive holiday pay for the number of hours that corresponds to their regular work day. (i.e., If the holiday falls on the employee's 8, 9, 10 or 12 hour day, the employee shall receive 8, 9, 10 or 12 hours of holiday pay, respectively).

4) For employees of the Library, on any other day on which the Library closes which are not listed on the holiday schedule, the employee may use vacation or compensatory time off to get paid for the day or, if approved by the employee's supervisor, come to work and perform duties approved by the employee's supervisor. An employee on probation for six months or less (who is not otherwise entitled to use vacation) will have the right to access vacation which has been earned (but which is not yet available for use) to be paid for all or part of the day when the Library is closed and they are unable to work.

B. <u>Personal Holiday</u>

After six months of service, employees shall earn personal holidays during the fiscal year as follows: For employees working a 5/40 – 16 hours, 9/80 – 18 hours, 4/10 – 20 hours and 3/12 – 24 hours. Said holiday leave may be taken at the employees' discretion subject to supervisor and department head (or designee) approval. Employee shall request such holiday leave in writing. If an employee does not use all his/her personal holiday leave earned within the fiscal year in which the employee has received it, the amount of the employee's holiday leave accrual in the

following year will be reduced by the amount of personal holiday leave carried over from the previous fiscal year such that employees cannot have more than two days of accrued personal holiday leave at any time. The parties encourage employees in the unit to use their personal holiday leave. Department Heads or designees will not act unreasonably in granting requests to use personal holiday leave.

7. VACATION

A. Authorization For Taking Vacation

With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, vacation accumulated shall not be available for use until an employee completes six months of service. Upon completion of six months of service, every employee may take accumulated vacation if approved by the employee's department head or designee.

B. Accumulation

Employees may not accumulate more than 480 hours of vacation at any time.

Notwithstanding the above paragraph, employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 480 hours may accumulate annual vacation which will result in their balance being above 480 hours. However, if at the end of any calendar year the vacation accumulation is above 480 hours they will not continue to accrue vacation until the balance falls below 480 hours, whereupon they will then continue to accrue vacation during that calendar year.

C. Application

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every department head or designee shall establish a vacation schedule for each calendar year based on employee requests and seniority of the employees concerned and subject to his/her right to plan work under his/her control and to allow vacations when employees can be spared. Each year between November 1 and December 15 employees shall submit vacation requests for the next calendar year. The determination of which requests shall be granted shall be made by seniority with the City. Thereafter, requests shall be submitted throughout the year and the determination as to whether a request is granted or denied shall be made on a first come, first served basis. Seniority is only a factor when employees request vacation at the same time. An employee with greater seniority cannot bump the vacation of a less senior employee whose vacation has already been approved. He/she shall notify employees as soon as possible whether their application is approved, and if not, of the period which is substituted. Any request submitted shall be deemed "approved" unless denied in writing within 14 calendar days of its submission.

D. Vacation Allowances

Vacation accrual shall be calculated on the basis of hours. Vacation credit shall accrue biweekly to employees at the rates indicated below:

FIRST 4 YEARS OF SERVICE	AFTER 4 YEARS THROUGH 14 YEARS	AFTER 14 YEARS OF SERVICE
3.07 Hours Bi-weekly 80 Hours/Yr	4.60 Hours Bi-weekly 120 Hours/Yr	6.13 Hours Bi-weekly 160 Hours/Yr

8. SICK LEAVE

Except as is otherwise provided, each employee shall accrue, use, and be compensated for sick leave as follows:

1) Accrual. Each employee shall accrue sick leave at the rate of 3.68 hours for each complete biweekly period of employment. Payroll division records are the final authority for settling disputes regarding accrued and accumulated sick leave.

2) New Employment. With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, sick leave accumulated shall not be available for use until an employee completes six months of service.

3) Use of Sick Leave. Accumulated sick leave may be used by an employee during a period of illness of the employee, child, step-child, parent, spouse, sibling or registered domestic partner.

4) Sick Leave Incentive. Employees who accumulate 69 hours or more of unused sick leave during any fiscal year may receive cash payment for up to 27 hours of the accumulated unused sick leave during the month of January of the following year. The sick leave shall be paid at the employees then existing rate of pay. Such days not paid for or taken may be accumulated to be used or taken as needed in the future, or paid for in accordance with current the 3% - 10 year program as referenced in Article 29 of this Agreement.

9. BEREAVEMENT LEAVE

Bereavement leave is an absence occasioned by the death of a family member, herein defined as a spouse, parent, grandchild, brother, sister, child, step-child, grandparent, in-law relations (father-in-law, brother-in-law, daughter-in-law, etc.) or registered domestic partner of the employee.

Up to a maximum of forty (40) hours of bereavement leave, per calendar year may be used in the event of the death of a family member. In the event an employee needs additional time off for this leave, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible and shall be approved by the appointing authority and the Assistant Director of Administrative Services/Human Resources.

10. INDUSTRIAL DISABILITY LEAVE

A. Salary Continuance for Industrial Disability Leave

All terms contained in this Article and the determination thereof, shall be as defined by the provisions of Division 4 of the California Labor Code, Sections 3201 et. seq.

In the event of an accepted work-related injury claim , the City shall pay the gross salary, less legally required deductions, to the injured employees for a period not to exceed fourteen (14) calendar days. Employees covered under this program shall not receive a monetary amount greater than they would receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work-incurred injury for which the employee is receiving disability salary continuance from the City, shall be paid to the City for the first fourteen (14) calendar days of absence due to injury in order to qualify for this program.

For an employee to qualify for this program, the department head must notify Risk Management and Human Resources in writing immediately upon receiving knowledge of a work-incurred injury.

Should an injured employee's period of absence exceed fourteen (14) calendar days, payment under this program will cease. An employee eligible to receive temporary disability indemnity may then utilize accumulated sick leave, vacation leave and compensatory time, which when added to his/her temporary disability indemnity payments will add up to full salary. An employee who elects not to utilize accumulated leave while receiving temporary disability indemnity payments must notify the Human Resources Office.

An employee seeking these benefits may be required to be examined by City authorized physicians at the discretion of Risk Management and Assistant Director of Administrative Services/Human Resources for the purpose of determining eligibility for this program.

11. WITNESS LEAVE

Any employee who is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi-judicial proceeding in a manner other than one to which the employee is a party, or who is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code § 230(b) and (c) an employee shall be allowed time off but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such services shall be paid (less transportation allowance, if any) to the City. This article is not applicable to those employees participating in judicial or quasi-judicial proceedings that are within the scope of their employment.

12. LEAVE WITHOUT PAY

Requests for leaves of absence without pay must be submitted to each employee's supervisor and approved by the employee's department head or designee and shall be used only if all appropriate accumulated leaves (e.g., sick leave may not be exhausted if the leave is not for a medical purpose) have been exhausted. Employees on leave of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any benefits, except as required by law. Decisions whether to grant such a leave will be made based on operational needs of the Department.

13. UNIFORM ALLOWANCE AND SAFETY BOOTS

Uniformed field service personnel required to wear a uniform shall receive at City expense the number of uniforms they were receiving at the time of approval of this MOU by the City Council at City expense. The uniforms shall be the property of the City. The City shall replace damaged or worn out uniform parts, as necessary.

The City agrees to reimburse each employee up to $300 per year for the purchase of safety boots provided the employee's department head determines the need to use safety boots as part of the employee's job and the employee submits receipts for the boots purchased. Safety boots reimbursements shall be paid within two pay periods of the employee submitting the receipts.

The parties agree that to the extent permitted by law, this is special compensation and shall be reported as such pursuant to Title 2, CCR 571(a)(5) the City will report as special compensation, the value of the uniforms for a unit member employed on or before December 31, 2012. As of the drafting of this MOU, "new members" as defined under the Public Employees' Pension Reform Act of 2013 are not permitted to have the value of the uniforms reported as special compensation. If the City is permitted to do so in the future pursuant to a change in the law, it will do so.

14. OVERTIME

A. Accurately Reporting Time Worked

Employees are required to accurately report all time worked on their time sheets. Under no circumstances may an employee work any time in addition to his/her regular work hours before or after work or on an unpaid meal break without first receiving approval in advance from his/her supervisor. Thus, all overtime requires advanced approval. In addition, since no supervisor is permitted to require an employee to work overtime without it being reported on his/her time sheet, if an employee works such time it will be recorded.

B. Earning Overtime and Assigning Overtime Work

Employees shall be paid overtime compensation at the rate of 1.5 times their regular rate of pay when required to work, a) in addition to their regular work hours on a regular workday; b) on a day which is not their regular workday; or c) for working more than forty (40) hours in a workweek. If an employee uses leave on a particular workday and then works hours beyond

his/her regular shift hours at his/her supervisor's request on the same day, the employee may receive overtime for those hours or, if he/she requests to flex his/her hours for that day so as to not use their leave time (and it is acceptable to the employee's supervisor) no overtime will be earned.

In an effort to equitably distribute overtime, the employee in class who has worked the least amount of overtime year to date (calendar year) shall be offered the overtime first. Then the employee with the second least amount of overtime will be offered an overtime shift and so on. In the event that no one volunteers for the overtime the least senior employee in class will be required to work the overtime. Each year, the amount of overtime worked will be zeroed and the first overtime will be offered to the most senior employee in class.

In the event an employee has worked more than 12 consecutive hours, a determination will be made by the employee's supervisor whether or not the employee shall be allowed to continue working. If the supervisor determines that the employee cannot safely work because they have worked longer than 12 consecutive hours and have not had a reasonable rest period, the employee can be allowed to perform other work for the remaining portion of his/her shift and receive his/her regular rate of pay. If, at the direction of the supervisor, the employee is sent home for all or part of his or her shift, he/she shall receive his/her regular pay for the hours not worked.

If the employee determines that he/she cannot safely continue to work, he/she shall be permitted to leave and will be able to use vacation, compensatory time or accrued personal holiday leave.

C. Compensatory Time

Employees working overtime shall receive either pay or compensatory time at the department head's discretion except for premium payments associated with holidays which shall be at the employee's discretion. Employees can accumulate up to 40 hours of compensatory time. Since compensatory time is earned at 1.5 hours for each hour of overtime worked, 40 hours of compensatory time equates to 26.66 hours of overtime worked. Once an employee has 40 hours of accumulated compensatory time, he/she cannot accumulate any additional compensatory time until his/her bank is below 40 hours. Employees will be cashed out of any accumulated compensatory time at their current regular rate of pay when they leave employment with the City.

An employee wishing to use his/her accumulated compensatory time must provide reasonable notice to his/her supervisor. If reasonable notice is provided, the request will only be denied if the request is unduly disruptive to the operations of the employee's department. For purposes of this agreement, reasonable notice is defined as at least one calendar week. If an employee wishes to use compensatory time without providing reasonable notice, the decision to grant or deny that request will be at the discretion of the employee's supervisor.

D. Stand-by and Call Back

Employees in the unit may be required to be on standby for many different reasons. Being on standby means that the employee is required to promptly return to work after being called and be fit for duty and able to respond. Employees are not permitted to drink alcohol while on standby.

Employees on standby shall receive a cell phone from the City and will be required to respond to the call or text as quickly as possible. Upon responding, the employee will be instructed as to whether he or she is required to return to work and will be informed of the location to which he or she must respond. Response time will generally be the employee's normal commute time and any additional minimal time necessary to get ready to return to work. Standby lists shall be created monthly, at least one week in advance of any standby shift by volunteers first, then by inverse order of seniority. Employees will be permitted to trade stand-by shifts with their colleagues.

Employees required to be on standby, shall receive three (3) hours of pay per day of standby at straight-time.

E. Call Back

An employee called to work while off duty shall receive a minimum of four (4) hours pay at time and one-half the employee's regular rate of pay. If an employee is only required to talk on the phone and not report to work, he/she will be paid for his/her time. An employee called back for more than four (4) hours shall receive pay at the rate of time and one half for each hour worked in excess of four (4).

15. TUITION REIMBURSEMENT

In accordance with the requirements of Administrative Regulation, Number 3A.2, the City shall reimburse an employee for attending an accredited college or university provided that the course is directly job related. If an individual is pursuing a degree, the City shall reimburse the employee for only those courses taken in the major, provided the degree objective is job related.

To be eligible for tuition reimbursement each employee shall (prior to each fiscal year) submit a document setting forth the following: the name of the institution at which the course(s) will be taken, the title(s) of the course(s) for which he/she is seeking reimbursement, and how the course(s) is directly related to the employee's job to his/her department head or designee, who shall forward it for approval to the Human Resources Department. Since eligibility requirements are set forth in the Administrative Regulation and require advance approval from a supervisor, department head and Human Resources prior to the commencement of education, employees wishing to receive tuition reimbursement are encouraged to review the policy.

16. RETIREMENT

The City contracts with CalPERS for retirement benefits. The definitions of "new member" and "classic member" are set forth in Appendix B to this MOU.

A. For "Classic Member" Employees As Defined By The Public Employees' Pension Reform Act of 2013 (PEPRA)

1) Retirement Formula: The City contracts with CalPERS to provide the 2.5% at 55 retirement formula set forth in California Government Code Section 21354.4.

2) Single Highest Year: The City's contract with CalPERS provides for the "Single Highest Year" retirement benefit for miscellaneous employees of which "classic member" employees in the unit are included per Government Code section 20042. The retirement benefit is based on the highest annual compensation for the one year during the employee's membership in CalPERS.

3) Payment of Employee/Member Contribution: Classic Members will pay their 8% Member Contribution on the first day of the pay period following Council approval of this MOU. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

B. For "New Members" As Defined By the Public Employees' Pension Reform Act of 2013 (PEPRA)

1) Retirement Formula: Unit members who are defined as "new members" under the PEPRA, are covered by the 2%@ 62 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.20(a).

2) Retirement Benefit Calculation Period: For unit members defined as "new members" under the PEPRA such employees' final compensation will be based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement or any other three consecutive year period chosen by the employee as set forth in Government Code section 7522.32(a).

3) Payment of Employee/Member Contribution: Effective October 5, 2013, new member employees are responsible for paying the employee contribution of one-half of the total normal cost of the plan, as defined by CalPERS, through a payroll deduction. This amount will be determined by CalPERS in the future. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

In addition, new members will pay additional amount for their retirement contribution as cost sharing in accordance with Government Code section 20516(f). That amount will be the difference between the half the normal cost amount and eight percent so that their total retirement contribution will be eight percent (8%).

C. Additional Optional Benefits For All Employees

1) 1959 Survivor's Benefit: The City's contract with CalPERS provides Level 4 coverage under the 1959 Survivor's Benefit per Government Code section 21574.

2) Pre-Retirement Option 2 Benefit: The City's contract with CalPERS provides for Pre-Retirement Optional Settlement 2 Benefit as set forth in Government Code Section 21548 for all employees in the unit.

3) Military Service Credit: The City's contract with CalPERS provides the Military Service Credit option set forth in Government Code section 21024.

4) Pre-Retirement Death Benefits: The City's contract with CalPERS provides the benefit known as the pre-retirement death benefits to continue after remarriage of survivor as set forth in Government Code section 21551.

5) Cost of Living Allowance: The City's contract with CalPERS provides the benefit known as the 2% Cost of Living Allowance Increase as set forth in Government Code section 21329.

6) Retired Death Benefit: The City's contract with CalPERS provides the $500 Retired Death benefit as set forth in Government Code section 21620.

7) Prior Service: The City's contract with CalPERS provides the prior service benefit as set forth in Government Code section 20055.

D. Advancement of Disability Retirement Benefits For Employees Who File For Disability Retirement

In the event an employee who has been certified as disabled files an application for disability retirement and the City does not dispute the employee's application, the City will advance disability retirement payments to the retiree until there is a determination from CalPERS as to whether the application will be granted or not. Once that determination is made by PERS the City will be reimbursed for the advanced disability payments. If the City disputes the application for disability retirement, no advanced disability retirement payments will be provided. In the case of an employee who files for service retirement pending his/her application for disability retirement which the City disputes, the City will advance only that portion of the retiree's pension that is undisputed.

17. HOURS, WORKWEEKS AND WORK SCHEDULES

A. Workweek and Work Schedule

The workweek for all members of the unit shall be 168 regularly recurring hours. For employees working a 5/40 or 4/10 work schedule, it shall begin on Sunday at 12:00 a.m. and end at 11:59 p.m. the following Saturday. For employees working the 9/80 work schedule, each employee's designated FLSA workweek (168 hours in length) shall begin exactly four hours after

the start time of his/her eight hour shift on the day of the week that corresponds with the employee's alternating regular day off. For employees working the 3/12 work schedule (as described below), their designated FLSA workweek (168 hours in length) shall begin exactly four hours after the start time of his/her twelve hour shift on the day of the week that corresponds with the employee's alternating regular day off.

- A 5/40 schedule consists of a weekly work schedule of 5 consecutive workdays of 8 consecutive hours each.

- A 9/80 schedule consists of alternate workweeks of 4 consecutive workdays of 9 consecutive hours each, followed by 5 consecutive workdays, four of which consist of 9 consecutive hours each and 1 day of 8 consecutive hours.

- A 4/10 schedule consists of a weekly work schedule of 4 consecutive workdays of 10 consecutive hours each.

- A 3/12 schedule consists of alternate workweeks of 3 consecutive workdays of 12 consecutive hours each, followed by 4 consecutive workdays of 12 consecutive hours each.

Employees on probation may have their work schedules changed by their Department Head at his/her discretion. This includes, for example, changing an employee's work schedule from a 9/80 to a 4/10 work schedule and vice versa as well as changing the start time of an employee's work shift. Once off probation, the employee's work schedule shall be the schedule regularly assigned to the last incumbent for the particular position. Any newly created positions shall be assigned the same work schedule as the majority of other employees working in that classification. A Department Head retains the right to make de minimis changes to the start time of an employee's work shift. Any other changes to an employee's work schedule are subject to meet and confer. However, if an employee requests to have his/her work schedule changed and his/her supervisor agrees the Division of Human Resources and the Association shall be notified prior to the schedule change. The Association acknowledges that if requested to meet and confer over such a change, it will do so promptly, no later than two weeks after the request. Except as mentioned above, the City agrees that until the meet and confer process is exhausted there will be no changes to work schedules or bonuses attached to any particular schedule.

B. Hours of Operation

Every general office of the City, except those to which special regulations apply, shall be kept open for business on all days of the year, except Saturdays, Sundays and holidays, continuously from 7:30 a.m. until 5:30 p.m. Employees shall be assigned a minimum of forty (40) hours per week, except in those departments operating under other Council approved schedules. Schedules which differ from the one prescribed in this section shall be filed with the Assistant Director of Administrative Services/Human Resources by the department head.

18. NON-DISCRIMINATION

The parties mutually reaffirm their respective policies of non-discrimination in the treatment of any employee because of race, religion, sexual orientation, medical condition, gender, color, sex, age, disability, national origin, ancestry, or any other protected classification recognized by the law.

19. CAREER LADDERS

The City and MEA endorse the concept of internal promotion through the concept of Career Ladder development.

The purpose of Career Ladders is to provide the on-the-job skills and knowledge to an employee to enable the employee to qualify for a promotional position.

The development of Career Ladder programs includes utilization of acting positions to help enhance development of advanced skills and establishment of Career Series with sequential positions that enable an employee to advance in the Career Series by increasing skill levels.

20. MANAGEMENT RIGHTS

A. General Management Rights

Except as limited by the specific and express terms of this Memorandum of Understanding, the City hereby retains and reserves unto itself all rights, powers, authority, duty and responsibilities confirmed on and vested in it by the law and the Constitution of the State of California and/or the United States of America.

The management and the direction of the work force of the City are vested exclusively in the City, and nothing in the MOU is intended to circumscribe or modify the existing rights of the City including but not limited to the direction of the work of its employees; the right to hire, promote, demote, transfer, assign, schedule and retain employees in positions within the City; subject to the rules and regulations of the City; suspend or discharge employees for just and proper cause; to maintain and improve the efficiency of governmental operations; to relieve employees from duties because of lack of work or funds; to take action as may be necessary to carry out the City's mission and services in emergencies; to determine the methods, means and appropriate job classifications, organizational structure and personnel by which the operations are to be carried out; and to establish reasonable performance standards for personnel, including but not limited to qualifications and quantity standards. In addition to the foregoing, the parties agree that the City may demand to meet and confer over the subject of furloughs.

B. Contracting Out

1. Bargaining Obligation and RFP's:

   The City may wish to contract out work which is currently performed by bargaining unit members.

If the City seeks a request for proposal (RFP) for work currently performed by bargaining unit members, the City agrees to provide a copy of the RFP to the President of the Association within five (5) calendar days of it being publicly disseminated. In addition, the City will provide the President of the Association with copies of any RFP submissions within one calendar week of the close of time for RFP proposals. If the City informs the Association that it wishes to contract out bargaining unit work, the Association agrees to begin the meet and confer process within 20 days after it receives the RFP submissions from the City.

2. Emergency Contracting Out Not Requiring Meet and Confer:

An emergency permitting the City to contract out bargaining unit work without meeting and conferring with the Association can be declared only by the City Manager or if he/she is absent, the person authorized to act on his/her behalf. An emergency occurs when bargaining unit work cannot be provided by existing employees without endangering public health and/or the fiscal viability of the City. If work during a period of declared emergency can be provided by existing employees on an overtime basis in a manner that doesn't endanger public health or the fiscal viability of the City, it shall be performed by such existing employees on an overtime basis. An emergency can also be declared when due to a sudden, unexpected event that is beyond the City's control the short-term workload of bargaining unit work cannot be performed by existing employees. In such event an emergency can be called, but is limited to a period of 120 days.

21. MEDICAL DISABILITY SEPARATION

In the event an employee who has passed probation, is physically/mentally incapacitated from performing his/her job, and the employee is not eligible to receive a disability retirement from PERS, the City may separate the employee for medical reasons.

The separation would be considered "in good standing" which would enable the employee to be eligible for reinstatement pursuant to the Rules and Regulations section governing separation.

22. MEA RELATED BUSINESS

A. Stewards Program

MEA may select a total of twelve (12) stewards for this Unit. At least one steward will come from Parks and Recreation and one from Administration provided there are volunteers from those divisions. MEA shall provide a written list of employees who have been selected as stewards to the Assistant Director of Administrative Services/Human Resources. This list shall be kept current at all times by MEA and submitted to the Assistant Director of Administrative Services/Human Resources at least every six (6) months. Stewards are permitted to assist employees in matters regarding employer/employee relations.

When leaving their work locations to transact MEA related business, stewards shall first obtain permission from their immediate supervisor and inform them of the general nature of the

business. Permission to leave shall be granted promptly unless such absence would cause undue interruption of work. If such permission cannot be granted promptly the steward shall be, if possible, immediately informed when time may be made available.

MEA stewards shall complete a time use slip to document MEA activity time used as a part of the allocation set forth below. This slip shall be initialed by the steward using the time and the supervisor authorizing it and submitted to the Human Resources Division.

Upon entering a work location, the steward shall inform the appropriate supervisor of the nature of the business. Permission to leave the job shall be granted promptly to the employee involved unless such absence would cause an undue interruption of work. If the employee cannot be made available, the steward shall be immediately informed, if possible, when the employee may be made available.

A steward shall not log compensatory time or overtime pay for the time spent performing any function of a steward even if they are working on MEA related business outside of their regularly work hours. An MEA member working on MEA business outside of work hours is not considered to be working for the City.

B. Dues Deduction

The City will deduct dues and assessments once each pay period, provided there is not more than one deduction per pay period, in an amount certified to be current and correct by the MEA President, from the pay of those employees who individually provide written authorization for dues and other such deductions. The City shall remit the deductions on a bi-weekly basis, when feasible. The total of all such deductions shall be remitted by the City to the MEA. This authorization shall remain in full force and effect until and so long as the MEA remains a formally recognized employee organization in the City.

C. Bulletin Boards

MEA may post no more than two (2) MEA documents at any one time on City bulletin boards, provided that such documents are not of a political or controversial nature, or anything reflecting adversely upon the City, its employees, or any labor organization representing any employees of the City as determined by the City Manager.

D. Use of City Facilities

Representatives of MEA may use City facilities for general membership meetings with City approval and prior clearance from the proper authority (i.e., an authority who can approve use of the particular facility). MEA may hold their Board of Stewards meetings during the noon hour in the Library facilities, subject to City approval and room availability.

E. MEA Business and Training

The City will grant five hundred (500) hours per contract year to MEA for the purpose of training and the conduct of union business. The 500 hours shall not include time spent in

negotiations, processing grievances or representing members in disciplinary appeals. The time shall be allocated by MEA among its officers and stewards as it believes appropriate. The Human Resources Division shall be notified of the use of this time.

MEA representatives utilizing this time shall notify their supervisors and shall endeavor to provide as much advance notice as possible.

23. GRIEVANCE PROCEDURE

The City and MEA recognize that disputes related to this MOU will occur from time to time. It is both parties' intent and desire that any such disputes be resolved quickly and amicably. However, the parties recognize that occasionally disputes will need to be resolved by a neutral. It is for that reason that the parties agree to the following provisions of their grievance procedure.

A. Definition of a Grievance: An allegation by an employee or the MEA that there has been a violation, misinterpretation or misapplication of the terms of this MOU or any past practice.

B. Timeliness of a Grievance: A grievance must be filed within 60 days of the occurrence giving rise to the grievance or the time within which the grievant (either the employee or MEA) knew or should have known of the occurrence.

C. Grievance Procedure: The parties acknowledge that a grievance procedure is beneficial to resolve MOU disputes.

1) Step 1 – If MEA is the grievant – Communication with the Human Resources Division: Whenever MEA believes that there has been a violation, misinterpretation or misapplication of the terms of this MOU, MEA shall inform the Assistant Director of Administrative Services/Human Resources in writing of the alleged violation, misinterpretation or misapplication. The Assistant Director of Administrative Services/Human Resources shall either promptly schedule a meeting with the designated MEA representative to discuss the grievance or may respond in writing within seven (7) calendar days. If a meeting is scheduled, the Assistant Director of Administrative Services/Human Resources shall present his/her determination in writing within seven (7) calendar days of the meeting. The response will be sent by e-mail to the designated MEA representative.

2) Step 1 – If an employee is the grievant - Communication with Department Head or Designee: The employee must present, in writing, to the employee's department head (or the department head's designee if one is established) a document setting forth the alleged violation, misinterpretation or misapplication of the terms of this MOU. The department head or designee shall either promptly schedule a meeting with the grievant (the employee (who may be represented if he/she wishes)) to discuss the grievance or may respond in writing within seven (7) calendar days. If a meeting is scheduled, the department head or designee shall present his/her determination in writing within seven (7) calendar days of the

meeting. The response will be sent by e-mail to the employee or designated MEA representative.

3) Step 2 –Advisory Arbitration: If the employee or MEA is not satisfied with the results of Step 1 or the Assistant Director of Administrative Services/Human Resources or Department Head does not respond within the time limits for a response, the employee or MEA may move the grievance to advisory arbitration. To do so, the employee or MEA must present, in writing, to the Assistant Director of Administrative Services/Human Resources a document setting forth the alleged violation, misinterpretation or misapplication of the terms of this MOU and requesting that the grievance be submitted advisory arbitration. This document must be presented within ten (10) calendar days of the date the Step 1 response was e-mailed to the employee or MEA representative or within ten (10) calendar days from the last date the response was due if no response is given.

4) Once received, the Assistant Director of Administrative Services/Human Resources shall promptly send a letter to the grievant (either the employee or MEA) advising the grievant as to who the City's representative will be. The grievant shall then contact the City's representative for the purpose of determining whether the parties can agree on an arbitrator to hear the grievance. If the parties can agree, the representative for the City shall contact the agreed upon arbitrator to determine his/her availability for the hearing. If the parties cannot reach agreement on an arbitrator, the Assistant Director of Administrative Services/Human Resources or designee will send a letter to the State Mediation and Conciliation Service requesting a list of seven (7) arbitrators. Once the list is received the representatives of the parties shall strike names until an arbitrator is chosen. The parties shall toss a coin to determine who shall strike the first name. Once the arbitrator is chosen, the parties will contact the arbitrator to schedule a hearing.

5) During the hearing the formal rules of evidence do not apply. The cost of the arbitrator, a court reporter (if the parties agree on the use of a court reporter) shall be split between the City and the grievant. If the employee is pursuing a grievance without the support of the MEA, the employee shall be responsible for one-half of the costs of the arbitration.

6) Once the arbitrator issues his/her advisory recommendation, it will be submitted to the City Manager.

7) The arbitrator shall provide copies of his/her recommendation to both parties' representatives. Within ten (10) calendar days from the receipt of the advisory arbitration's recommendation, MEA (or the employee is proceeding on his/her own) and the applicable Department Head may submit to the City Manager a brief statement, not exceeding 3 double-spaced pages, stating whether they believe the advisory arbitrator's recommendation is correct or not and why. Within thirty (30) calendar days of receipt of the advisory arbitrator's recommendation, the City Manager shall issue a written decision and send such decision to the Human

Resources Division. The Human Resources Division shall provide copies of the decision to the grievant and the applicable Department Head. If the City Manager fails to accept, reject or modify the arbitrator's opinion and award within thirty (35) calendar days of receipt by the City Manager, it shall be considered accepted.

8) The City Manager may accept, reject or modify the advisory arbitrator's opinion or any part thereof. The City Manager's decision shall be final and binding. In reaching his/her decision, the City Manager shall review the advisory arbitrator's recommendation, the brief statements (if any) on the advisory arbitrator's recommendation submitted by the parties to the City Manager, and the evidence, both documentary and testimonial, and arguments presented to the advisory arbitrator.

24. DISCIPLINE

Although probationary employees may be rejected from probation for any lawful reason, once an employee passes his/her probationary period, he/she shall only be subjected to discipline (defined as termination, demotion, suspension, reduction in pay, and written reprimand if the City can support its position by a preponderance of the evidence. Counseling memos and written warnings are not subject to this process. Although employees may be subject to such action, there is no right of appeal from such action. However, an employee may submit written comments thereon which shall be attached to the counseling (or other such document) in the employee's personnel file.

A. Pre-Action Due Process

Prior to being subject to any discipline that results in the loss of pay an employee will first be served with a notice of intent to discipline by their supervisor, manager or department head. This document will set forth the grounds for discipline, the facts supporting the grounds and all evidence to which the employee is entitled by law. The notice of intent to discipline will also advise the employee of any prior discipline which the City representative issuing the notice believes is relevant to the current discipline. In addition, the notice of intent will advise the employee of his/her right to respond to the proposed discipline either in writing or orally at a meeting. If the employee does not respond within the time limits, the discipline will be imposed.

If the employee chooses to respond in writing, he/she must insure his/her response is received by the representative who issued the notice of intent to discipline within seven (7) calendar days of receiving the notice of intent to discipline. If the employee wishes to respond orally, he/she must call or write the City representative who issued the notice of intent to discipline within seven (7) calendar days of receiving the notice of intent to discipline informing the representative that he/she wishes to have an oral response. The City representative will advise the employee when the meeting (known as a *Skelly* meeting) will take place.

At the *Skelly* meeting (assuming the employee wants to respond orally) the employee has the right to be represented. The *Skelly* meeting is not a hearing. It is an opportunity for the employee and/or his/her representative to respond to the notice of intent to discipline. The employee may be represented at the *Skelly* meeting by one on-duty MEA representative as well

as by as well as an attorney if he/she chooses. Under no circumstances may the employee be represented by more than one MEA member at the *Skelly* meeting.

The City representative who will hear the response may or may not be the person who issued the notice of intent to discipline. The decision will either be to impose the proposed discipline, impose no discipline or to impose a lesser discipline. The City representative hearing the response does not have authority to impose discipline that is greater than that which was proposed.

If the discipline is imposed or if it is reduced but there is still discipline imposed which is covered by this procedure the City representative shall issue a Notice of Discipline. Like the notice of intent, the Notice of Discipline shall set forth the grounds, and facts supporting the discipline as well as any prior discipline relied on by the City representative in imposing the discipline. The Notice of Discipline will also set forth the employee's appeal rights advising the employee that if he/she wishes to appeal the discipline, he/she must do so in writing by serving a Notice of Appeal to the Assistant Director of Administrative Services/Human Resources within seven (7) calendar days.

The Notice of Discipline will set forth the effective date of the discipline.

B. Disciplinary Appeals

If an employee desires to appeal a disciplinary action, he/she (or the representative) shall submit a written notice of appeal. A representative of the City shall contact either the employee or his/her identified representative within ten (10) calendar days of receipt of the Notice of Appeal for the purpose of determining whether the parties can agree on an advisory arbitrator to hear the appeal. If the parties can agree, the representative for the City shall contact the agreed upon arbitrator to determine his/her availability for the hearing. If the parties cannot reach agreement on an arbitrator, the Assistant Director of Administrative Services/Human Resources or designee will send a letter to the State Mediation and Conciliation Service requesting a list of nine (9) arbitrators. Once the list is received the representatives of the parties shall strike names until an arbitrator is chosen. The parties shall toss a coin to determine who shall strike the first name. Once the arbitrator is chosen, the parties will contact the arbitrator to schedule a hearing.

During the hearing the formal rules of evidence do not apply. The cost of the list of arbitrators, the arbitrator him/herself, and the court reporter shall be split between the City and the MEA unless MEA is not financially supporting the appeal by providing representation for the employee. Once the arbitrator issues his/her advisory recommendation he/she will submit it to the City Manager as well as both parties' representatives.

The arbitrator shall provide copies to both parties' representatives. Within ten (10) calendar days from the receipt of the advisory arbitration's recommendation, both parties' representatives may submit to the City Manager a brief statement, not exceeding three (3) double-spaced pages, stating whether they believe the advisory arbitrator's recommendation is correct or not and why. Within thirty five (35) days of receipt of the advisory arbitrator's recommendation, the City Manager shall issue and send his/her final written decision to the parties.

The City Manager may accept, reject or modify the advisory arbitrator's recommendation or any part thereof. In no case, however, may the City Manager increase the penalty above that imposed by the Department Head. The City Manager's decision shall be final and binding. In reaching his/her decision, the City Manager shall review the advisory arbitrator's recommendation, the brief statement (if any) on the advisory arbitrator's recommendation submitted by the parties to the City Manager, and the evidence, both documentary and testimonial, and arguments presented to the advisory arbitrator.

The employee has the right to appeal the City Manager's decision in accordance with California Code of Civil Procedure section 1094.6 which provides a 90-day statute of limitations.

25. PERSONNEL FILES

The City shall maintain only one personnel file for each employee. The personnel file shall be located in the City's Human Resources Office.

Employees shall be entitled to review the content of their personnel file (with the exception of background investigation material or any other document received in the hiring process that the City does not wish to provide the employee access to) at reasonable intervals provided that the employee schedules an appointment, at least twenty-four (24) hours in advance, during the regular hours of the Human Resources Office. No comments adverse to the interest of an employee, including but not limited to counseling, discipline, evaluation or performance documentation shall be placed in an employee's official personnel file without having first been shown to the employee, who shall be provided with a copy of said document upon request. An employee may prepare a written response to any such material and such response shall be filed with the original material.

26. OFFICE SPACE

The City will provide MEA with office space that is mutually agreeable to the parties at no cost. Office space shall not be moved for at least 24 months after it is provided except due to emergency (fire, no heat, water, a/c or sale of property) or other pressing City need.

27. JOB DESCRIPTIONS

The parties acknowledge that there is an occasional need to modify job descriptions or create new job descriptions for new or existing jobs to reflect current duties and changing ways of doing business. To that end, the City shall provide MEA with copies of changes it is proposing to job descriptions at least 12 calendar days in advance of actually changing the job description or implementing a new job description. Within that 12 day period MEA will have the right to 1) provide input in writing regarding the City's proposed changes in a document which it will provide to the City within twelve (12) calendar days of receiving the proposed job description from the City; and/or 2) request that the City meet and confer over the title of the classifications (if it is changing or is new) as well as the compensation, hours and other terms and conditions of employment.

If the Association does request to meet and confer over title, compensation and other terms and conditions of employment it shall make itself reasonably available to do so. The parties will strive to meet within seven (7) calendar days. If MEA does not make itself reasonably available to meet or does not wish to meet, the City will implement its proposed changes to the job description.

The City values the need and desire for all employees to be aware of new job openings and to have the ability to apply for those positions. The City agrees to notify MEA when openings occur.

28. SAVINGS CLAUSE

If any benefit or provision of this MOU is deemed by a court of competent jurisdiction to be illegal or otherwise unenforceable, the remaining benefits or provisions of this MOU shall remain in full force and effect. In the event of such invalidation, the City and MEA shall meet and confer in good faith concerning such invalidation including whether a replacement benefit or provision is necessary and appropriate.

29. BENEFIT PAYOFFS UPON SEPARATION FROM CITY SERVICE

A. Vacation Pay-Off

Employees who separate from City service shall be paid for accumulated vacation.

B. Sick Leave Pay-Off

All accumulated sick leave at the date of separation from City service shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay-off.

Only employees who have ten (10) or more continuous years of City service shall be eligible for sick leave pay-off upon separation from employment with the City. Employees with less than ten (10) years of continuous service shall not be eligible to receive any pay-off for unused sick leave.

The rate of Sick Leave pay-off shall be calculated as follows: Three percent (3%) of accumulated sick leave per full year of service. Sick leave shall be calculated at the base rate of pay received by the employee at the time of his/her separation.

Each employee eligible to receive sick leave pay-off shall receive said pay at the time of separation.

C. Pay for Employees Subject to Layoff

In addition to the layoff provision of the Personnel Rules, any employee who is laid off shall receive severance pay of one day of their current salary, for each full year of service with the City, up to a maximum of ten (10) days of salary.

30. ADMINISTRATIVE CODE & PERSONNEL RULES AND REGULATIONS

The parties agree that if the City wishes to modify any provision of the Administrative Code and/or Personnel Rules and Regulations which is within the scope of bargaining, MEA agrees to promptly come to the table to meet and confer over proposed changes.

This MOU is prepared pursuant to the requirements of Government Code section 3505.1 for presentation to the City Council for its approval.

FOR THE MUNICIPAL EMPLOYEES ASSOCIATION OF BEVERLY HILLS

Greg Gomez	Date
Kurt Zabriskie	Date
Terry Carney	Date
Venneri Santos	Date
Robert Wexler	Date

FOR THE CITY OF BEVERLY HILLS

Shelley Ovrom	Date
Peter Brown	Date

EXHIBIT A
LIST OF CLASSIFICATIONS REPRESENTED BY THE ASSOCIATION

Account Clerk I
Account Clerk II
Accountant I
Accountant II
Accounting Technician
Administrative Clerk I
Administrative Clerk II
Assistant Planner
Building & Safety Inspector I
Building & Safety Inspector II
Building Maintenance Attendant
Building Maintenance Mechanic
Cable TV/Video Production Coordinator
Cable TV/Video Associate II
Cable TV Program Operations Specialist
Cataloging Specialist
Central Stores Specialist
Central Storeroom Supervisor
Civil Engineering GIS Specialist
Code Enforcement Officer
Communications & Marketing Assistant
Communications Specialist-IT
Communications Systems Technician
Contract Administrative Assistant
Cultural Programs Assistant
Customer Service Representative
Customer Services Specialist

Development Services Technician I
Development Services Technician II
Drainage Maintenance Worker I
Drainage Maintenance Worker II
Electrician
Electrical Technician
Engineering Aide
Engineering Permit Coordinator
Environmental Maintenance Worker
Environmental Programs Inspector
Equipment Mechanic 1
Equipment Mechanic II
Field Services Representative
General Repair Worker
Gerontologist
Graphic Artist
Graphic Services Worker
Irrigation Specialist
Lead Park Ranger
Librarian I
Librarian II
Library Clerk I
Library Clerk I/Driver
Library Clerk II
Library Page II
Library Technician
Microcomputer Support Specialist II
Park Services Worker
Parking Coordinator
Parking Services Technician

Planning Technician
Programmer Analyst I
Programmer Analyst II
Project Staff Assistant
Public Records Coordinator
Public Works Inspector I
Public Works Inspector II
Purchasing Specialist
Records/Micro Computer Imaging Tech
Recreation Coordinator
Reprographics Assistant
Revenue Collector
Secretary
Senior Building Inspector
Senior Code Enforcement Officer
Senior Customer Service Representative
Senior Drainage System Worker
Senior Facilities Maintenance Mechanic
Senior Graphic Artist
Senior Library Clerk
Senior Library Page
Senior Library Technician
Senior Operations Analyst
Senior Park Ranger
Senior Park Services Worker
Senior Parking Attendant
Senior Parking Meter Technician
Senior Parking Services Technician
Senior Support Specialist
Senior Street Sweeper Operator
Senior Water System Worker
Solid Waste Equipment Operator
Solid Waste Inspector
Special Events Coordinator
Street Maintenance Worker I
Street Maintenance Worker II
Street Maintenance Worker III
Street Sweeper Operator
Telecommunications Analyst
Traffic Control System Specialist
Traffic Sign and Paint Tech
Traffic Signal Technician
Traffic Technician
Transportation Planning Analyst
Urban Forest Inspector
Water Conservation Specialist
Water System Inspector
Water System Technician
Water System Worker I
Water System Worker II
Water System Worker III
Web Coordinator
Web Developer

EXHIBIT B

DEFINITIONS OF "NEW MEMBER" AND "CLASSIC MEMBER" PER THE PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 – PEPRA.

The parties acknowledge that the PEPRA controls over definitions such as "new member" and "classic member" and put their understanding of the definitions in their MOU for informational purposes so that employees understand their retirement benefits.

New Member

Government Code section 7522.04(f) defines "new member" as follows:

(f) "New member" means any of the following:

(1) An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.

(2) An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Section 7522.02.

(3) An individual who was an active member in a retirement system and who, after a break in service of more than six months, returned to active membership in that system with a new employer.

Classic Member

CalPERS refers to all members who do not fit the definition of new member as a classic member